Waiver of loans due to floods/drought

1508. SHRI N.R. GOVINDARAJAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received request from farmers of various States who suffered heavy losses due to drought/floods during the current years to waive off the loans and interest;

(b) whether Government have decided to postpone the recovery of loan and interest thereon from the farmers in the wake of drought/floods situation in the country during the current year; and

(c) if so, the period for which the recovery of the loan has been postponed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) The Government keeps on receiving requests from farmers for waiver of loan, re-schedulement of loan etc. in the wake of drought/floods. In this regard, extant guidelines issued by Reserve Bank of India for providing relief in areas affected by natural calamities, including flood/drought are followed by Banks. The guidelines, *inter-alia,* permit banks to:—

(i) Convert/reschedule loans in the event of natural calamity for periods ranging from 3 to 9 years, depending upon the successive crop failure/intensity of damage to crops;

(ii) Grant fresh crop loans to affected farmers;

(iii) Convert principal as well as interest due on the existing loans;

(iv) Not to compound interest on current loans;

(v) Provide consumption loans to agriculturists whose crops have been damaged etc.

NABARD has also reiterated the following guidelines to the Regional Rural Banks and Co-operative Banks in view of recent floods on account of unprecedented rains during the current year in various parts of Maharashtra, Gujarat, Kerala, Madhya Pradesh, Orissa and Tamil Nadu for providing relief to farmers affected by natural calamities:—

(i) Additional crop loan as per the recommendations of the District Level Technical Group so as to enable farmers to go for fresh sowing operational/alternate crops;

(ii) Consumption loan to affected persons in the areas affected by floods under a need based arrangement;

(iii) Re-schedulement of installments of investment credits to affected borrowers;

(iv) Medium Term (Conversion)/Medium Term (rephasement/ reschedulement) of loans to borrowers whose crops have been damaged etc.

Revenue deficit of Andhra Pradesh

1509. SHRIMATI VANGA GEETHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Gross State Domestic Product of Andhra Pradesh at 5.01 per cent is way below the National average of 5.89 per cent;

(b) if so, the details thereof;

(c) whether Government have committed itself to eliminating the State's revenue deficit by 2006-07 which is estimated to be around Rs. 1400 crores during the current fiscal; and

(d) if so, the present position thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Annual growth of Gross State Domestic Product (GSDP) of Andhra Pradesh at current prices in 2004-05 has been estimated at 9.82 per cent as compared to annual estimated growth rate of all State aggregate GSDP at 9.02 per cent during the same period.

(c) and (d) No, Sir. According to the Fiscal Responsibility and Budget Management (FRBM) Act enacted by Government of Andhra Pradesh, the State Government has committed to eliminate the revenue deficit in 2008-09. the State's Own Fiscal Correction Path to achieve the targets of FRBM Act, has placed the estimated revenue deficit of the State Government at Rs. 1700 crore in the current fiscal.

Reduction in fiscal deficit of States

1510. SHRI DHARAM PAL SABHARWAL Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that while talking to the media under the banner of Financial Writers Forum, he has stated that due to reforms in tax